

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 10/31/2008

	As of <u>10-31-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 470,587,753	\$ 682,056,359
INTERNATIONAL EQUITIES	156,914,383	252,078,034
DOMESTIC FIXED INCOME	505,315,723	554,026,769
INTERNATIONAL FIXED INCOME	79,729,073	90,076,982
REAL ESTATE	114,945,217	121,924,794
ALTERNATIVE INVESTMENTS	93,710,263	99,234,751
INVESTED CASH (NOTE 1)	<u>22,578,332</u>	<u>9,799,104</u>
TOTAL INVESTMENTS	1,443,780,744	1,809,196,793
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	2,727,900	3,833,437
MISCELLANEOUS RECEIVABLE	<u>2,957</u>	<u>2,765</u>
TOTAL RECEIVABLES	2,730,857	3,836,202
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	17,453,030	29,156,196
OPERATING CASH	<u>10,990</u>	<u>31,831</u>
TOTAL ASSETS	<u><u>\$ 1,463,975,621</u></u>	<u><u>\$ 1,842,221,022</u></u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	17,453,030	29,156,196
ACCOUNTS PAYABLE	4,448	12,210
ACCRUED EXPENSES	21,431	19,647
INVESTMENT EXPENSE PAYABLE	<u>2,276,912</u>	<u>2,276,912</u>
TOTAL LIABILITIES	19,755,821	31,464,965
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,810,756,057	1,934,234,168
CASH IN DURING YEAR (NOTE 3)	0	3,208,999
CASH OUT DURING YEAR (NOTE 4)	8,200,000	26,165,000
NET INCREASE (DECREASE)	<u>(358,336,257)</u>	<u>(100,522,110)</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,444,219,800</u>	<u>1,810,756,057</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,463,975,621</u></u>	<u><u>\$ 1,842,221,022</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 10/31/2008

	Month Ended <u>10-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,325,663	\$ 11,550,558
SECURITIES LENDING INCOME	54,316	225,082
	<u>2,379,979</u>	<u>11,775,640</u>
 GAIN ON SALE OF INVESTMENTS	 27,293,869	 76,939,737
LOSS ON SALE OF INVESTMENTS	<u>69,773,349</u>	<u>121,216,642</u>
 NET GAINS (LOSSES) INVESTMENTS	 (42,479,480)	 (44,276,905)
 INVESTMENT EXPENSES	 472,199	 2,533,685
SECURITIES LENDING EXPENSES	33,274	162,333
 NET INVESTMENT INCOME	 (40,604,974)	 (35,197,283)
 NET APPREC (DEPREC) MARKET VALUE	 (166,835,646)	 (323,575,059)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(392,024)</u>	<u>503,812</u>
 TOTAL INVESTMENT INCOME	 <u>(207,832,644)</u>	 <u>(358,268,530)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	17,804	67,727
 NET INCREASE (DECREASE)	 <u>\$ (207,850,448)</u>	 <u>\$ (358,336,257)</u>

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Notes To Financial Statements
October 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.